

FISCAL NOTE

SB 3014 - HB 2929

March 7, 2000

SUMMARY OF BILL:

Creates new \$30 fee in addition to existing fee to register motor vehicle. Includes additional \$1.00 for each motor vehicle registration to be retained by county clerk. Provides for proceeds to be deposited to Volunteer Scholars Fund to be administered by the State Treasurer. Provides for 50% of funds to go to a "dedicated education fund" and distributed through BEP for retention of instructors, purchase of educational equipment, and maintenance and renovation of educational facilities. Provides for 2.5% of funds to go to higher education institutions through the Tennessee Higher Education Commission to fund distance learning programs. Provides for 2.5% of funds to go to juvenile courts in each county based on the number of motor vehicles registered in each county in relation to the total number of motor vehicle registrations in the state. Provides for 45% to fund the Volunteer Scholarships program. Specifies this program is to be administered by the Tennessee Student Assistance Corporation (TSAC) and for TSAC to develop guidelines for the amount and frequency of awards and criteria for candidates for such scholarships. This bill is to take effect January 1, 2001.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - Not Significant

Increase State Revenues - \$71,700,000 FY 00-01 (Six Months)

**\$143,400,000 1st Full Year (Earmarked
for Volunteer Scholars Fund)**

Increase Local Govt. Expenditures - Not Significant

Increase Local Govt. Revenues - \$2,390,000 FY00-01 (Six Months)

\$4,780,000 1st Full Year

Assumes:

- there are approximately 4,780,000 motor vehicles registered in Tennessee.
- \$30 fee on motor vehicle registrations will generate approximately \$143,400,000 for the Volunteer Scholars Fund. These funds are to be distributed as follows:

| | |
|-----------------------------------|-------------------|
| BEP from dedicated education fund | \$71,700,000 |
| Juvenile courts in counties | 3,585,000 |
| Higher Education | 3,585,000 |
| Volunteer Scholarships | <u>64,530,000</u> |
| TOTAL - FIRST FULL YEAR | \$143,400,000 |

SB 3014 - HB 2929

- TSAC can administer scholarship program primarily within existing resources. Any increase in state expenditures is estimated to be not significant.
- local governments will experience a not significant increase in expenditures for the administrative costs associated with collecting and remitting tax.
- local governments will experience an increase in revenues from the \$1.00 fee for county clerks.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James A. Davenport". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

James A. Davenport, Executive Director